

mined without regard to the last sentence of section 4961(b)), and

(B) any other period which the Secretary determines is reasonable and necessary to bring about correction of the taxable event.

(2) Special rules for when taxable event occurs

For purposes of paragraph (1), the taxable event shall be treated as occurring—

(A) in the case of section 4942, on the first day of the taxable year for which there was a failure to distribute income,

(B) in the case of section 4943, on the first day on which there are excess business holdings,

(C) in the case of section 4971, on the last day of the plan year in which there is an accumulated funding deficiency, and

(D) in any other case, the date on which such event occurred.

(Added Pub. L. 96-596, § 2(c)(1), Dec. 24, 1980, 94 Stat. 3473, § 4962; renumbered § 4963, Pub. L. 98-369, div. A, title III, § 305(a), July 18, 1984, 98 Stat. 783; amended Pub. L. 100-203, title X, § 10712(b)(3), Dec. 22, 1987, 101 Stat. 1330-467.)

AMENDMENTS

1987—Subsecs. (a) to (c). Pub. L. 100-203 inserted reference to section 4955 of this title.

EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100-203 applicable to taxable years beginning after Dec. 22, 1987, see section 10712(d) of Pub. L. 100-203, set out as an Effective Date note under section 4955 of this title.

EFFECTIVE DATE

For effective date of section with respect to any first tier tax and to any second tier tax, see section 2(d) of Pub. L. 96-596, set out as a note under section 4961 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 4942, 6213, 6214, 6503, 7422 of this title.

CHAPTER 43—QUALIFIED PENSION, ETC., PLANS

Sec.	
4971.	Taxes on failure to meet minimum funding standards.
4972.	Tax on nondeductible contributions to qualified employer plans.
4973.	Tax on excess contributions to individual retirement accounts, certain section 403(b) contracts, and certain individual retirement annuities.
4974.	Excise tax on certain accumulations in qualified retirement plans.
4975.	Tax on prohibited transactions.
4976.	Taxes with respect to funded welfare benefit plans.
4977.	Tax on certain fringe benefits provided by an employer.
4978.	Tax on certain dispositions by employee stock ownership plans and certain cooperatives.
[4978A.	Repealed.]
4978B.	Tax on disposition of employer securities to which section 133 applied.
4979.	Tax on certain excess contributions.
4979A.	Tax on certain prohibited allocations of qualified securities.
4980.	Tax on reversion of qualified plan assets to employer.

Sec.

4980A. Tax on excess distributions from qualified retirement plans.

4980B. Failure to satisfy continuation coverage requirements of group health plans.

AMENDMENTS

1989—Pub. L. 101-239, title VII, §§ 7301(d)(2), 7304(a)(2)(C)(iii), Dec. 19, 1989, 103 Stat. 2348, 2353, struck out item 4978A “Tax on certain dispositions of employer securities to which section 2057 applied” and added item 4978B.

1988—Pub. L. 100-647, title I, § 1011A(g)(1)(B), title III, § 3011(c), Nov. 10, 1988, 102 Stat. 3479, 3625, redesignated item 4981A as 4980A and added item 4980B.

1987—Pub. L. 100-203, title X, § 10413(b)(2), Dec. 22, 1987, 101 Stat. 1330-438, added item 4978A.

1986—Pub. L. 99-514, title XI, §§ 1117(b)(2), 1121(a)(2), 1131(c)(2), 1132(b), 1133(b), title XVIII, §§ 1854(a)(9)(C), 1899A(75), Oct. 22, 1986, 100 Stat. 2462, 2465, 2478, 2480, 2483, 2877, 2963, added item 4972, inserted “section” in item 4973, substituted “Excise tax on certain accumulations in qualified retirement plans” for “Tax on certain accumulations in individual retirement accounts” in item 4974, struck out “and allocations” after “certain dispositions” in item 4978, and added items 4979, 4979A, 4980, and 4981A.

1984—Pub. L. 98-369, div. A, title IV, § 491(d)(56), title V, §§ 511(c)(2), 531(e)(2), 545(b), July 18, 1984, 98 Stat. 852, 862, 886, 896, substituted “and certain individual retirement annuities” for “certain individual retirement annuities, and certain retirement bonds” in item 4973 and added items 4976 to 4978.

1982—Pub. L. 97-248, title II, § 237(c)(2), Sept. 3, 1982, 96 Stat. 511, struck out item 4972 “Tax on excess contributions for self-employed individuals”.

1974—Pub. L. 93-406, title II, §§ 1013(b), 2001(f)(2), 2002(h)(3), Sept. 2, 1974, 88 Stat. 920, 957, 970, added chapter heading and analysis of sections 4971 to 4975.

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 275, 6161, 6201, 6211, 6212, 6213, 6214, 6344, 6405, 6501, 6512, 6862, 6871, 7422 of this title.

§ 4971. Taxes on failure to meet minimum funding standards

(a) Initial tax

For each taxable year of an employer who maintains a plan to which section 412 applies, there is hereby imposed a tax of 10 percent (5 percent in the case of a multiemployer plan) on the amount of the accumulated funding deficiency under the plan, determined as of the end of the plan year ending with or within such taxable year.

(b) Additional tax

In any case in which an initial tax is imposed by subsection (a) on an accumulated funding deficiency and such accumulated funding deficiency is not corrected within the taxable period, there is hereby imposed a tax equal to 100 percent of such accumulated funding deficiency to the extent not corrected.

(c) Definitions

For purposes of this section—

(1) Accumulated funding deficiency

The term “accumulated funding deficiency” has the meaning given to such term by the last two sentences of section 412(a).

(2) Correct

The term “correct” means, with respect to an accumulated funding deficiency, the con-